

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications

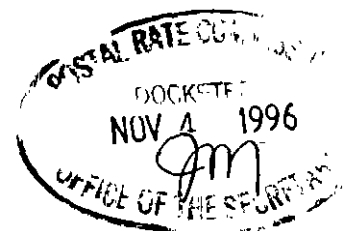
Docket No. MC96-3

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: SHERYDA C. COLLINS (USPS/OCA-T400-22-23)
(NOVEMBER 4, 1996)

The Office of the Consumer Advocate hereby submits the answers of Sheryda C. Collins to interrogatories USPS/OCA-T400-22-23, dated October 21, 1996. Interrogatory USPS/OCA-T400-21 was redirected to Witness Thompson. An objection to interrogatory USPS/OCA-T400-24 was filed on October 31, 1996. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

Shelley S. Dreifuss
SHELLEY S. DREIFUSS
Attorney
Office of the Consumer Advocate



ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-22-23

USPS/OCA-T400-22. Please refer to page 3 lines 15-18 of your testimony where you state "The proposal concerning return receipt service includes a modest classification fee structure change and a large fee increase for most users. The small increase in cost that the classification change entails cannot justify the fee increase and I urge the Commission to reject it."

- a. Should fee increases only be based on cost increases?
Please explain your answer fully.
- b. Should any criteria other than costs be considered when raising fees? Please identify all such other criteria.
- c. Would you agree that certified mail and return receipt have a high value of service? If your answer is no please explain.

A. a.-b. Cost is one of the nine pricing criteria listed at Section 3622 (b) of the Postal Reorganization Act. Title 39, U.S.C. requires that postal rates and fees be set in accordance with these factors.

c. Please see witness Sherman's answer to USPS/OCA-T100-22(e).

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-22-23

USPS/OCA-T400-23. Please turn to page 25 of your testimony.

- a. Please confirm that postal cards generally have a higher value of service than private cards. If you do not confirm, please explain.
- b. Assume hypothetically that postal card manufacturing costs are not part of postal and postcard subclass attributable costs, but rather are included in the institutional costs of the Postal Service.
 - i. Under this scenario, would you support a proposal to include postal card manufacturing costs in the attributable costs of the postal and postcard subclass in this docket? If not, why not? If yes, why?
 - ii. Under this scenario, would you support a proposal for a stamped card fee as proposed by witness Needham in USPS-T-8? If not, why not? If yes, why?

A. a. I have no information that would allow me to confirm this statement. In any event, postal cards and private cards are not separate subclasses, so comparisons of value of service would not appear to be relevant. Certainly, the high implicit cost coverage for postal cards is not the result of some explicit consideration of value of service.

b. i. Yes. Criterion three of the Act states "the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type"

ii. No. This scenario is covered at pages 24-25 of my testimony. The implicit cost coverage of postal cards, with manufacturing costs removed from the attributable cost pool

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CONTINUATION OF ANSWER TO USPS/OCA-T400-23:

(e.g., under the hypothetical, included in institutional costs),
is over 300 percent. Imposition of a new fee on a category of
mail which currently makes such a large contribution to
institutional costs is unwarranted.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-22-23

OCA/USPS-T400-24. The following refers to your testimony as a whole.

- a. Please confirm that you read a final version of Dr. Sherman's testimony (OCA-T-100) in this docket prior to filing your testimony.
 - b. Do you agree with all statements made in Dr. Sherman's testimony in this docket (OCA-T-100)? If your answer is other than an unqualified yes, please identify all statements in witness Sherman's testimony (by page and line number) with which you disagree and why you disagree with Dr. Sherman with regard to those statements.
- A. Objection filed.

DECLARATION

I, Sheryda C. Collins, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T400-22-23 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed November 7, 1996

Sheryda C Collins

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.

Shelley S. Dreifuss
SHELLEY S. DREIFUSS
Attorney

Washington, DC 20268-0001
November 4, 1996